

[0045] The purchase order (21) system has two phases, the first being the requisition during which the product and its specifications are provided to the supplier. The second phase is the acceptance and issuing of a contract number for the purchase. Inventory is posted with the on-order quantity. Payment terms define the net (discounted) purchase cost. The net cost is posted to inventory. Purchase specifications can be input further defining the material being purchased. The user can call the receiver function from the purchase order if desired. If less material is received than the original order, then upon close the purchase quantity is automatically adjusted to the received quantity. Several fields at the purchase order master level are used to constrain or further define the detail items. The purchase order application consists of several parent/child record relationships. Fields entered into the top level (master level) are used to constrain detail relationships. When the purchase type field is set to [R]epurchase, a new purchase is created with the previously created purchase contract being appended with a suffix. This eliminates the need for the creation of a new contract number. Order limit control (21.a) compares current purchases and inventory limit values to determine if a given purchase is permitted without authorization override.

[0046] The receiver (23), which is connected to the purchase order (21), captures product delivery information. The receiver calls one or more tallies, documenting the specific instance of delivery, and captures the yard's work order number (used internally by the yard for identification). Receipts are posted to inventory and to the originating purchase order. The buy/sell view module identifies historical purchase pricing and the sales price for a product. A

default interval is provided, but the user can specify an alternate interval if desired. The purpose is to permit the purchaser to view trends in purchase price as well as resale prices.

[0047] The vendor return module (24) allows material to be taken out of inventory for return to the supplier. The vendor return captures information specific to the return and calls a tally that documents specific instances of the product's return.

[0048] The buy/sell view module (22), which is also connected to the purchase order module (21), identifies historical purchase prices and the current sales price for a product. A default interval is provided, but the user can specify an alternate interval if desired. The purpose is to permit the purchaser to view trends in purchase price as well as resale prices.

[0049] The transfer order module (6) is the mechanism by which inventory is moved from yard to yard. The user specifies the product, the yards involved, the expected movement costs, and the quantity to be moved. The user then initiates a release of that material. Inventory reflects this release of material as in-process status of the inventory. The user, in turn, documents the outbound and inbound material via tally. When the transaction is closed the release and outbound values are adjusted by the system to equal the inbound tally values. Costs of the transfer are captured to inventory and become the source of inventory incremental cost transactions passed to the accounting system via the accounting interface.

[0050] The inspection/order module (7) is the means by which inventory condition (new, used, etc.) is changed. The process steps are analogous to those for the transfer shown above.

[0051] The fabrication order module (8) permits the modification of a mother goods design (MG) product into one or more finished goods design (FG) products. There are several system

purposes involved in this process. One is to redefine the product since it has now been changed into another product. Another purpose is to document the mother goods materials that were consumed in the process of creating the new finished good or goods. Another purpose is to define the services and the costs of those services that are required to redefine the product. Thus, the services performed and the charges for those services are linked to each finished good. The charges are used to redefine inventory cost and are sent to accounting via an interface. A component of the application (the threading order) captures information specific to the “fabrication threading request” so that a threading requisition document can be created for the vendor. The threading operation (placement of different thread type on the ends of the pipe) is required to permit compatibility with other hardware that the customer uses to assemble a suitable well casing/well head design.

[0052] The periodic interest billing module (9) evaluates each inventory item's age against an established age limit table. When the holding period exceeds the predetermined limit, interest is charged. Several interest types are maintained each with an effective start and stop date and each with a different rate. For example since the carrying costs of materials is a function of prevailing bank interest rates, it is necessary to define a mechanism that permits the accurate recapture of these carrying costs. Periodically these rates are negotiated between buyer and seller and a mutually agreeable rate is established. Their rates have an effective “start date” and an effective “end date.” The TIMS system contains an interest calculation algorithm permitting the automatic determination of the effective interest rate between any two periods. This function can be enabled or disabled depending upon the TIMS instance in question. Since the